# Department of Defense
# Human Resources Management

Summary of
Interim Acquisition Guidance for Defense Business Systems (DBS) -
The Business Capability Lifecycle Model

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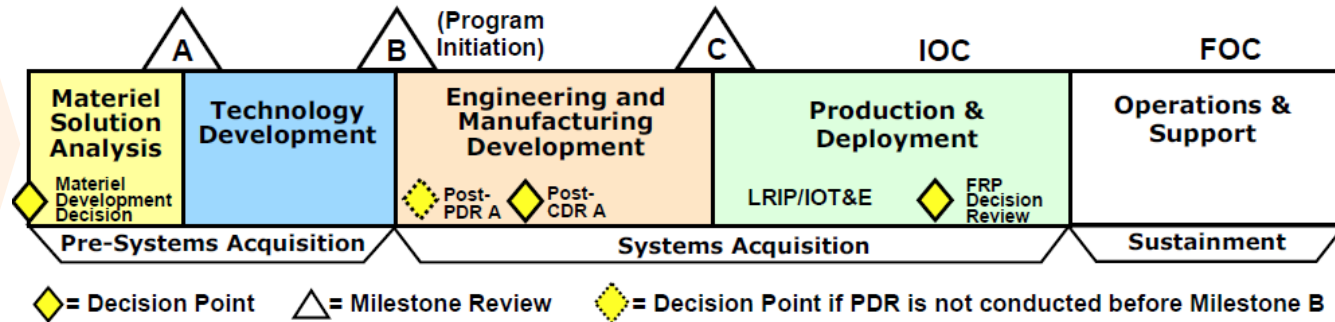▶ What BCL Does Not Do

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## Overview of BCL Interim Guidance

▶ Interim guidance issued for Defense Business Systems (DBS)

- – Establishes the Business Capability Lifecycle (BCL) model as the required acquisition process for DBS modernizations exceeding $1,000,000 total cost

- – Assigns responsibilities and procedures for meeting BCL and DBS requirements

- – Provides the framework for structuring the definition, development, testing, production, deployment, and support of DBS

- – Applies two distinct definitions of Time Certain Deployment

  - • *Major Automated Information System (MAIS)*: all functional capabilities associated with a given increment must be deployed within 5 years from when funds were first obligated for that increment

  - • *Non-MAIS*: must achieve Initial Operating Capability within 5 years from Milestone (MS) A

- – Issued on November 15, 2010; effective until a Directive Type Memorandum (DTM) is issued and incorporated into 5000.02
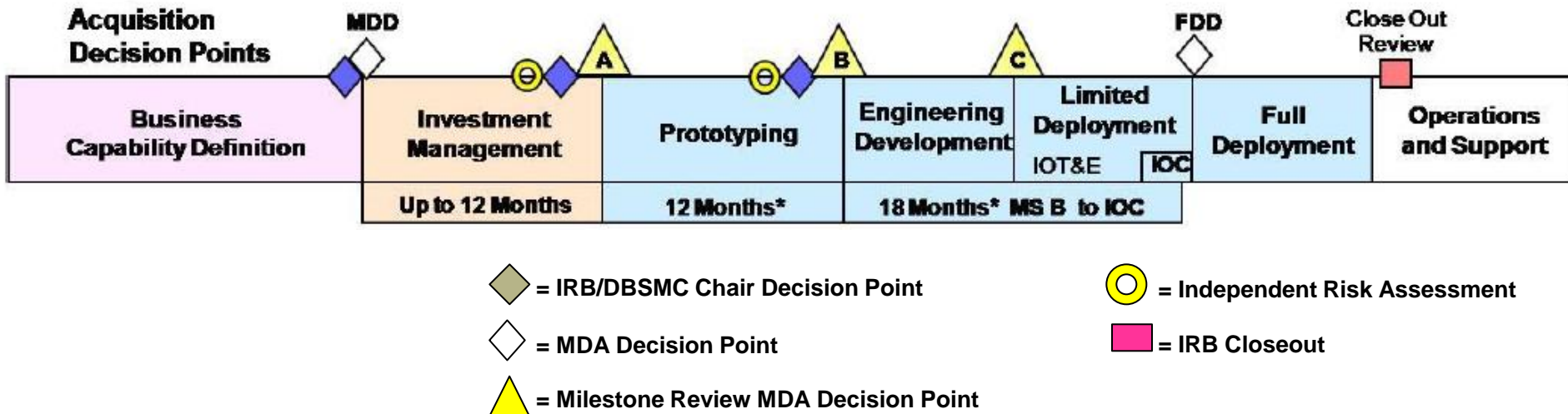
# 5000.02 vs. BCL

## 5000.02 Operation of the Defense Business System (Former)



| | | (Program Initiation) | | IOC | FOC |
|---|---|---|---|---|---|
| | A | B | C | | |

| Materiel Solution Analysis | Technology Development | Engineering and Manufacturing Development | Production & Deployment | Operations & Support |
|---|---|---|---|---|
| Materiel Development Decision | | Post-PDR A    Post-CDR A | LRIP/IOT&E    FRP Decision Review | |

Pre-Systems Acquisition — Systems Acquisition — Sustainment

◇ = Decision Point    △ = Milestone Review    ◈ = Decision Point if PDR is not conducted before Milestone B

## Business Capability Lifecycle (New)



Acquisition Decision Points    MDD    A    B    C    FDD    Close Out Review

| Business Capability Definition | Investment Management | Prototyping | Engineering Development | Limited Deployment IOT&E / IOC | Full Deployment | Operations and Support |
|---|---|---|---|---|---|---|
| | Up to 12 Months | 12 Months* | 18 Months* MS B to IOC | | | |

◆ = IRB/DBSMC Chair Decision Point    ◎ = Independent Risk Assessment

◇ = MDA Decision Point    ■ = IRB Closeout

△ = Milestone Review MDA Decision Point

## What's New?

▸ Reduces the overall staffing timeline by using the Investment Review Board (IRB) governance structure

▸ Shortens each phase of development

▸ Eliminates the need for staffing a number of individual documents

▸ Eliminates the System Engineering Plan (SEP)

▸ Establishes Enterprise Risk Assessment Methodology (ERAM) as the standard risk assessment process

▸ Adds Data Management Strategy requirement for Non-MAIS

# High Level Responsibilities

| Role | Responsibility |
|---|---|
| **Defense Business Systems Management Committee (DBSMC)** | • Advise the Chair who shall be responsible for approving Certification Authority (CA) certification of funds associated with modernization efforts |
| **Certification Authority (CA)** | • Certify investments and employ the IRBs<br>• Provide oversight of investment review processes and procedures<br>• Advise the Milestone Decision Authority (MDA) on acquisition matters for DBS supporting their respective areas of responsibility |
| **Investment Review Board (IRB)** | • Advise the MDA<br>• Approve Problem Statements (IRB Chair)<br>• Review requirements changes and technical configuration changes that may have cost and schedule impacts<br>• Review the Business Case to determine that business process reengineering (BPR) efforts have been undertaken |

# High Level Responsibilities, cont.

| Role | Responsibility |
|------|----------------|
| **Milestone Decision Authority (MDA)** | • Make DBS acquisition decisions<br>• Establish mandatory procedures for assigned programs<br>• Tailor the regulatory information requirements and acquisition processes and procedures in this interim guidance to achieve cost, schedule, and performance goals, as appropriate<br>• Submit reports to Congress as required by statute |
| **Component Acquisition Executive (CAE)** | • Designate the MDA for DBS that do not meet the MAIS threshold or are not otherwise designated |
| **Functional Sponsor** | • Ensure all necessary funding is identified and obtained for all phases throughout the DBS life cycle.<br>• Ensure that BPR has been performed |

## BCL Incremental Approach

▸ An approved business solution shall be divided into discrete, fully-funded, and manageable increments to facilitate development and implementation.

▸ Each increment shall be a useful and supportable operational capability that can be developed, tested, produced, deployed, and sustained

▸ No more than 12 months shall normally elapse between the Materiel Development Decision (MDD) and MS A, 12 between MS A & MS B and 18 between MS B (contract or option award) and Full Deployment Decision (FDD)

▸ FDD is the final decision made by the MDA authorizing an increment of the program to deploy software for operational use.

▸ The MDA shall not grant a MS A decision if Initial Operating Capability (IOC) cannot be achieved within 5 years of the start of the increment and in no event shall FDD occur later than 5 years from when funds were first obligated for the program

# Independent Risk Assessments and ERAM

▶ Independent Risk Assessment

- – Shall be performed prior to MS A and MS B

- – For MAIS or MDAP, these activities shall be known as Enterprise Risk Assessment Methodology (ERAM). The results of these assessments shall be provided to the responsible IRB and the MDA in support of MS A and MS B decisions

- – Additional ERAMs may be requested by an IRB Chair, the CA, or the MDA

- – For DBS that do not meet the MAIS threshold, the CAE shall be responsible for establishing procedures designed to assess risk

## Procedures

# BCL Acquisition Business Model
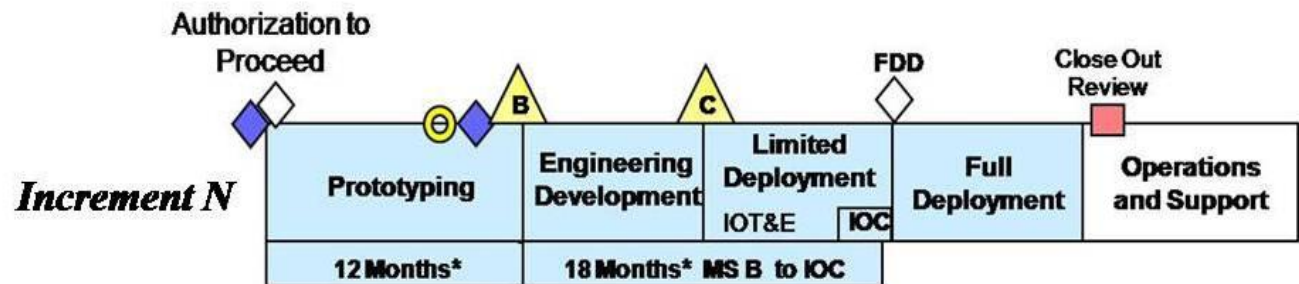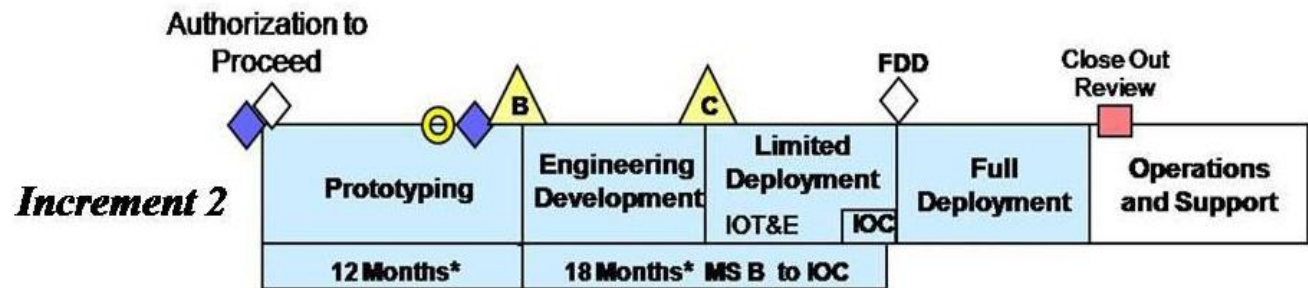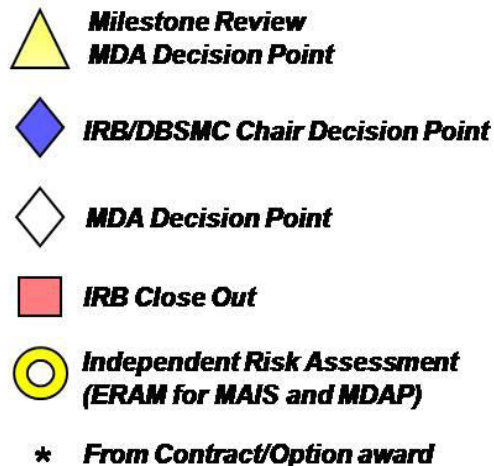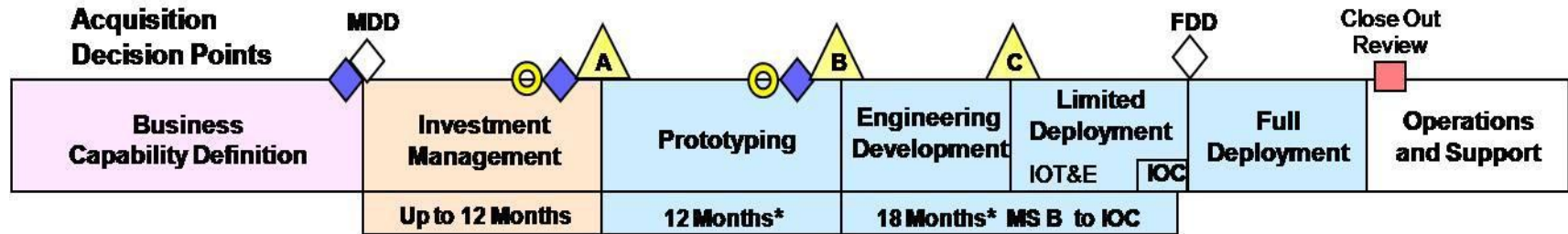
## Procedures – Business Capability Definition



▸ Begins with the identification of a business need

▸ Ends when the responsible IRB Chair approves the Problem Statement and the approved AoA Study Guidance is submitted to the responsible IRB Chair

▸ *Functional Sponsor* shall conduct an analysis that:

– Determines the problem to be solved, its root cause(s), and its context

– Identifies boundaries and constraints across functional responsibilities

– Describes potential impacts

– Adequately re-engineers applicable business processes

– Identifies measures of effectiveness to be used to validate outcomes to ensure the business need is satisfied and the necessary investment is justified

– Identifies the record retention lifecycle of the information system

# Procedures – Investment Management
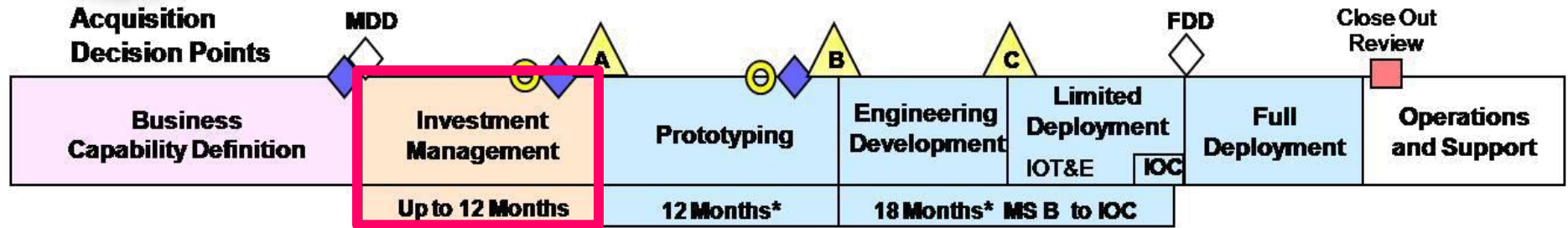


▸ Begins at the MDD; the MDD shall be mandatory for all DBS

▸ Ends when phase requirements are satisfied, the responsible IRB reviews the Business Case, and the responsible IRB Chair forwards a MS A recommendation to the MDA

▸ Roles & Responsibilities

– Present the business need described in the Problem Statement *(Functional Sponsor)*

– Specify the acquisition entry phase and designate the next milestone *(MDA)*

– Develop the Business Case *(PM, Functional Sponsor, test and evaluation (T&E) community, jointly)*

– Develop a Program Charter *(PM and Functional Sponsor, jointly)*

– Compile a MS A acquisition decision package and submit it to the responsible IRB *(PM)*

– Prioritize DoD Enterprise requirements and provide oversight of processes and procedures for DoD Enterprise-level systems that support their functional areas *(CA)*
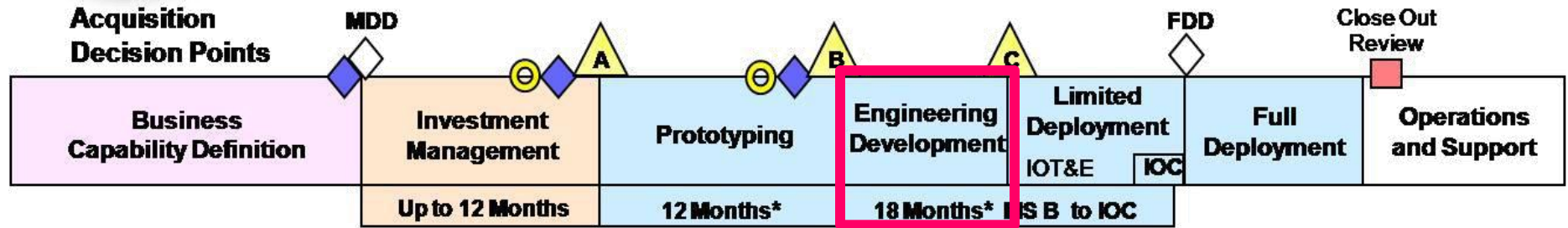
# Procedures - Prototyping
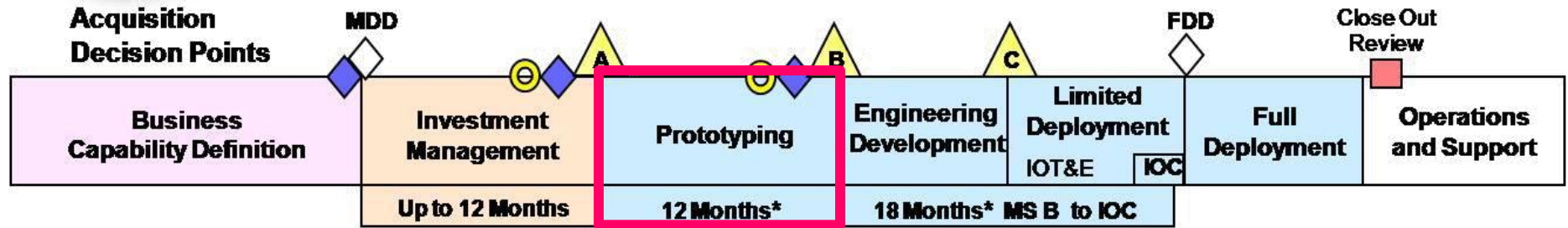


- ▶ Begins when the MDA has approved the Business Case and has documented the MS A decision in an Acquisition Decision Memorandum (ADM)

- ▶ Ends when phase requirements are satisfied and the responsible IRB Chair forwards a MS B recommendation to the MDA

- ▶ Roles & Responsibilities

  - – Review the Business Case *(MDA)*

  - – Complete detailed design and installation and propose cost, schedule, and performance goals for the increment under consideration and document them in a draft APB *(PM)*

  - – Review and refine the threshold capability requirements to satisfy the business need and define what constitutes Initial Operational Capability (IOC) *(Functional Sponsor)*

  - – Responsible and accountable for managing resources and conducting phase activities consistent with the MS A ADM and associated phase-specific cost, schedule, and performance objectives *(PM)*

# Procedures – Engineering Development



▸ Begins when the MDA has approved the updated Business Case and the APB and has documented the decision in an ADM

▸ Ends when phase requirements are satisfied & the Functional Sponsor has reviewed the test results and determined the outcomes & metrics as stated in the Business Case are satisfied

▸ Roles & Responsibilities

  – Refine system requirements, configure the software, build functionality as required, and plan for developmental and operational testing *(PM)*

  – Demonstrate that the materiel solution for the increment has been designed, configured, developed, and tested and evaluated consistent with Business Case & Program Charter, and is ready to be proven in an operational environment *(PM)*

  – Test and evaluate the delivered capability to determine if it adheres to the outcomes defined in the Business Case and if it is compliant with the BEA. *(T&E)*

  – Design the maintenance program to minimize total lifecycle cost while achieving readiness and sustainability objectives *(PM)*

## Procedures – Limited Deployment
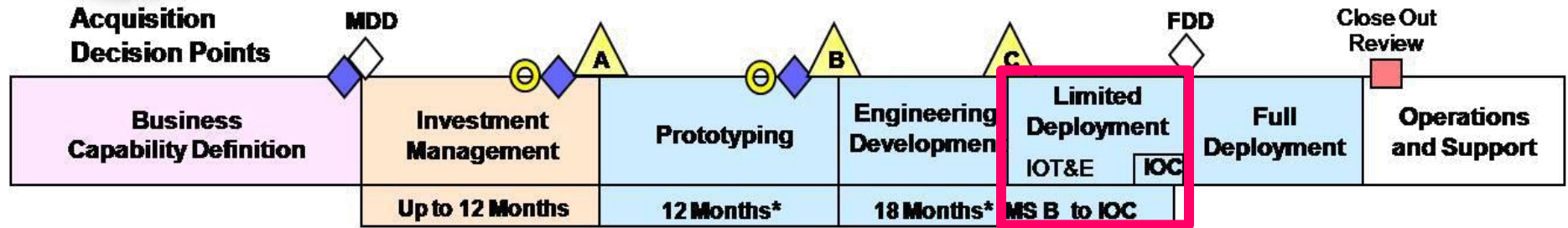


- ▸ Begins when the Functional Sponsor and the MDA have approved fielding the capability into an operational environment for IOT&E and the MDA has documented the decision in the MS C ADM

- ▸ Ends when phase requirements are satisfied, IOT&E is complete, and IOC has been declared

- ▸ Roles & Responsibilities
  - – Engage an operational test agency to verify functional requirements described in the Business Case are satisfied & to determine the operational effectiveness & suitability of the increment *(PM)*
  - – Issue a written declaration that the system has achieved IOC and comparing actual program results to the established performance goals as described in the Business Case *(Functional Sponsor, informed by IOT&E results and DOT&E recommendations)*
  - – Ensure all elements of the DOTMLPF solution described in the Business Case are ready to be implemented in the operational environment *(Functional Sponsor)*

# Procedures – Full Deployment
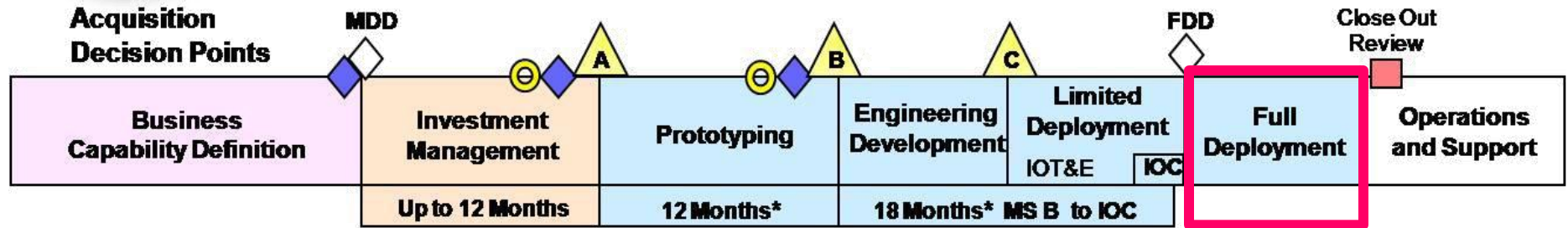


▸ Begins at the FDD

▸ Each increment shall include a close-out review

▸ Roles & Responsibilities

  – Schedule a close-out review with the responsible IRB upon completion of the increment's Full Deployment Phase *(PM)*

  – Define the criteria to be considered for a Full Deployment Decision (FDD) and Full Deployment (FD) in the Business Case *(Functional Sponsor)*

# Procedures – Operations and Support
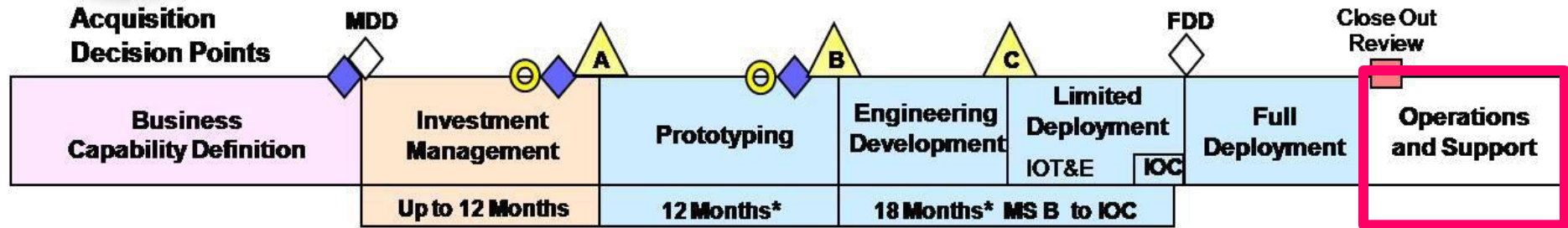


▶ Begins when an increment or DBS has been fully deployed

▶ Lifecycle sustainment planning & execution shall seamlessly span a system's entire life cycle

▶ Roles & Responsibilities

   – Optimize operational readiness *(PM)*

   – Conduct continuing reviews of sustainment strategies, comparing performance expectations as defined in performance agreements and the Business Case to actual performance results *(Functional Sponsor)*

   – Continuously identify deficiencies in these strategies and adjust the Business Case as necessary to meet performance requirements *(Functional Sponsor and PM)*

## What the BCL Does Not Do

▸ The BCL <u>does not</u>:

- Eliminate the need for prior planning and coordination

- Eliminate the need for requirements development or Business Process Reengineering

- Eliminate Statutory requirements

- Eliminate the need to do all the work that you would do under the 5000.02

## Q&A

**Questions?**